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## FUND'S INFORMATION

<b>Management Company:</b>	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Board of Directors of the Management Company:</b>	<ul style="list-style-type: none"><li>- Ms. Maheen Rahman</li><li>- Syed Ali Sultan</li><li>- Mr. Michael Hermann</li><li>- Mr. Hanspeter Beier</li><li>- Mr. Amin Dawood Saleh</li><li>- Mr. Muhammad Asif Saad</li><li>- Mr. Abid Naqvi</li></ul>
<b>Head of Finance:</b>	- Syed Hyder Raza Zaidi
<b>Chief Operating Officer &amp; Company Secretary:</b>	- Noman Ahmed Soomro
<b>Audit Committee:</b>	<ul style="list-style-type: none"><li>- Syed Ali Sultan</li><li>- Mr. Abid Naqvi</li><li>- Mr. Amin Dawood Saleh</li></ul>
<b>HR Committee:</b>	<ul style="list-style-type: none"><li>- Syed Ali Sultan</li><li>- Mr. Michael Hermann</li><li>- Ms. Maheen Rahman</li></ul>
<b>Trustee:</b>	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi
<b>Fund Manager:</b>	Mr. Imran Altaf
<b>Bankers to the Fund:</b>	Bank Alfalah Limited
<b>Auditors:</b>	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi 75530 Pakistan
<b>Legal Advisor:</b>	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
<b>Registrar:</b>	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Distributor:</b>	Bank Alfalah Limited
<b>Rating:</b>	Stability Rating A+ (f) by PACRA

**MISSION STATEMENT**

"To be the best money management company in Pakistan. We will hold our clients money in sacred trust that has to be actively protected and sustainably nurtured so as to achieve client objectives".

**VISION STATEMENT**

"To be the leading wealth management firm by offering global investment advice, trust services, family estate planning etc for all Pakistani clients whether based in Pakistan or abroad".

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

### *To our valued Unit Holders,*

The Board of Directors of Alfalah GHP Investment Management Limited is pleased to present you the Annual Report of the Alfalah GHP Income Fund (Formerly IGI Income Fund) for the year ended June 30, 2015.

### **FY15 Economic Review**

Macroeconomic landscape improved drastically over FY15. As agreed with the IMF, Pakistan's reform program was prioritized as the government increased utility prices multiple times to combat circular debt and curtail resource subsidies. The government also successfully privatized (completely or partially) United Bank Limited, Habib Bank Limited, Allied Bank Limited and Pakistan Petroleum Limited - thereby elevating its foreign exchange reserves. Although the divestment of Oil & Gas Development Company fell through due to under-subscription, the government was able to offset this by an immensely successful conventional Eurobond issuance of USD 2.0 bn and Shariah compliant Eurobond issuance of USD 1.0 bn.

As a result of those well-timed privatization and Eurobond issuances, the federal government was able to increase foreign exchange reserves from USD 14.1bn to USD 18.2bn. The rise in reserves was also helped by a 63% drop in Arab light crude oil price (from a high of USD 112.98/bbl to low of USD 41.36/bbl), which had a trickledown effect on reserves via trade and current accounts. As a result of cheaper oil, total import bill fell by 1.5%, which in turn pushed trade deficit lower by 28%. Current account balance over 11MFY15 stood at USD 1.98bn as compared to USD 3.03bn in corresponding period last year - down by 34%. Better external accounts and rising foreign exchange reserves kept the currency in check as the PKR lost only 3% against the greenback over FY15 as opposed to historical depreciation of 5%.

Headline inflation clocked in at a decade low of 2.11% in Apr'15, and averaged 4.56% for the entire year. In addition to a high base effect, disinflation was primarily led by a fall in food and commodity prices. Curtailed inflation allowed the central bank to reduce the key policy rate by 300bps over FY15.

As a result of improvement of macroeconomic indicators, Moody's rating agency upgraded Pakistan's sovereign credit rating from Caa1 to B3 during the year. With the government focused aggressively on privatization, infrastructure spending, fiscal consolidation and its energy reform agenda, further macroeconomic improvement can be expected over FY16.

### **Equity Market:**

The benchmark index gained 16% in FY15 (13% in USD terms) compared to 42% in FY14. Although multiple sectors posted substantial price appreciation, the overall index could not keep up pace because of the sluggish performance put up by the index heavy-weight Oil & Gas and Banking sector.

Volumes of the KSE-100 index remained largely flat at 140.0mn per day over FY15. However, the value traded improved by a decent 26% to USD 90mn per day. Trading activity was more diversified this time around as substantial price appreciation was witnessed in second-tier and third-tier stocks. During the year, the KSE-All Share Index appreciated by 9%, while the KSE-100 index appreciated by 16%.

In terms of net investment at the bourse, mutual funds took the lead with net buying of USD 122.0mn, while Banks/DFIs were the biggest net sellers at USD138.0mn. Foreigners invested a net amount of mere USD 39.0mn over FY15, compared to net inflow of USD 262.0mn in FY14 and USD 553.0mn in FY13.

Sector wise analysis reveals that automobile manufacturers, cement players and electricity producers enjoyed the most success among heavy-weight sectors. The automobile sector appreciated by 94% due to margin growth and rise in sales.

The cement sector observed 47% appreciation on the bourse on account of 3.5% rise in cement dispatches and prospects of higher construction spending in the coming years. The electricity sector appreciated by 63% on account of attractive dividend yields in the midst of falling interest rate scenario. Other sectors that posted handsome returns include Chemicals (+41%), Food Producers (+14%), Pharmaceutical & Biotech (+31%), General Industrials (+34%) and Engineering (+75%). On the other hand, Oil & Gas sector lost 25% in value terms owing to fall in crude oil prices, while commercial banks lost 6% of value owing to falling net interest margins.

Despite rise in capital gain tax in budget FY16, the equity market is expected to remain upbeat on account of improving broader macroeconomic picture, successful negotiations with bilateral and multilateral partners and improving perception among foreign investors, healthy corporate earnings, higher aggregate demand and better business climate. Possible inclusion of Pakistan in MSCI Emerging Market Index and upgrade to B3 category by Moody's rating agency shall also highlight and elevate the bourse on the international platform over FY16. Most of the ingredients for a buoyant market remain in place with discount rate and inflation at a decade low and external account outlook stable. As alternate fixed income returns continue to drop, we see interest shifting towards equities.

**Money Market:**

On account of record low inflation that touched a low of 2.11%, and averaged 4.56% for the year, the central bank reduced the discount rate by 300bps over four monetary policies. With inflation under control, the SBP aimed at boosting aggregate demand and demand for loanable funds. This easing cycle brought down bond yields by 430bps (3Y), 371bps (5Y) and 306bps (10Y). Yields, however, were quick to rebound marginally in Jun'15 on account of profit-taking, deposit mobilization by banks and prevalence of illiquidity.

The year was particularly generous to bond fund managers who maintained high duration PIB exposures. Yields slipped substantially on these longer-tenor instruments, generating multi-year high returns. The government increased its borrowing horizon considerably and funded the fiscal gap via longer-tenor PIBs as opposed to T-bills.

Barring unforeseen circumstances, we expect the market to remain range bound over the next six months as interest rates are largely expected to stay flat over this period. The easing cycle appears to have bottomed out and it remains to be seen when exactly a reversal will kick in.

**Overall outlook**

Political stability and a faster pace of economic reform will be key elements of the government's strategy to revive GDP growth over FY16. Significant issues remain unresolved and to a certain level unaddressed - in particular structural issues within the power sector, pace of tax collection and a general reluctance to widen the tax net will all filter into weaker economic growth and a miss in key budgetary targets. Positive developments on the external front need to be matched with stronger revenue generation on the internal side so that the economy may re-rate to an overall better level of growth.

**FUND PERFORMANCE AND REVIEW****Alfalah GHP Income Fund (formerly IGI Income Fund) : Fund Operations and Performance**

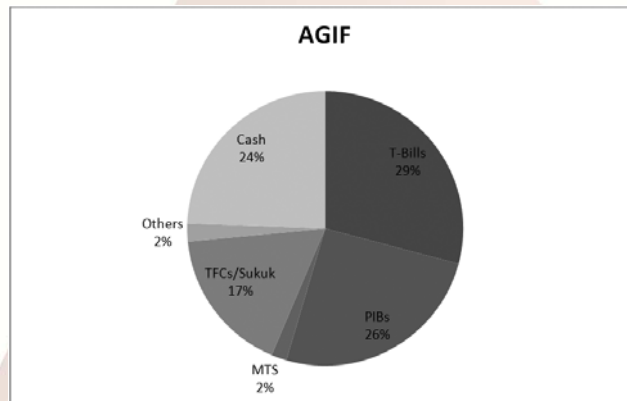
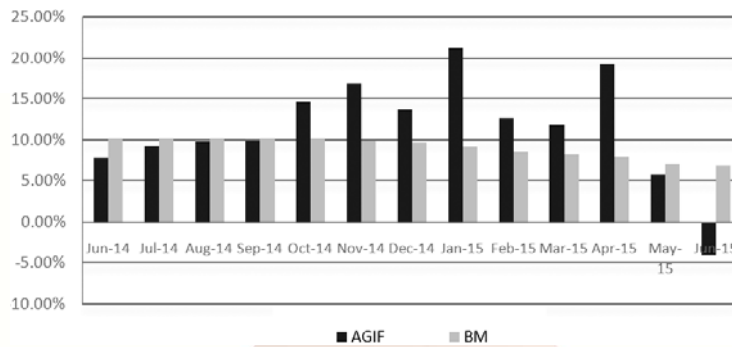
During the period under review, AGIF strived to capture higher accruals with an effort to restrict volatility as much as possible. For this purpose, concentration focus was on accumulating medium term government treasuries and TFCs with higher credit ratings.

The fund generated a healthy return of 12.26% in FY15. During the same period the benchmark return (6M Kibor) was 8.99%. The funds performance remained strong during the year despite some negative TFC price movements. The fund maintained a stable portfolio of good quality TFCs along with medium-long term PIBs. Due to constant monetary easing during the year the fund was able to constantly outperform the benchmark by focusing on government treasuries.

Going forward the fund intends to maintain exposure in Govt. bonds while reducing the duration and realize trading gains, where applicable, so as to keep the positive performance on track.

The fund's credit rating was maintained at "A+" by PACRA. The fund size on June 30th 2015 stood at PKR 1.111 bn compared to PKR 1.956 bn on June 30th 2014.

**AGIF Return vs Benchmark**



**Key Financial Data**

(Rupees in Million)

Description	For the year ended June 30 ,2015	For the year ended June 30 ,2014
Net Assets	1,111.395	1,955.694
Gross income	201,525	176.832
Total Comprehensive Income	93.521	132.920
Net Assets Value per Unit (Rs.)	105.35	100.42
Issuance of units during the period	1,544.178	2,402.724
Redemption of units during the period	2,515.598	2,358.491

**Payout**

At the end of the year under review, the fund paid out cash dividend of Rs.7.3777 per unit.

### Future Outlook

The Fund plans to shift into a more moderate risk profile over FY16 with increased allocation to high yield instruments such as corporate bonds and medium term treasuries. As the prevailing interest rate environment favors investment in short-medium dated instruments the Fund will look forward to raise its exposure in the corporate bonds having higher credit rating and strong spreads over KIBOR along with short-medium term government securities.

### Corporate Governance

The Management Company is committed to maintain the highest standards of Corporate Governance. Accordingly, the Board of Directors states that:

- a) Financial Statement represents fairly the state of affairs of funds under management of Alfalah GHP Investment Management Limited, the results of their operations, cash flow and the changes in Unit-holders funds.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon Funds under management of Alfalah GHP Investment Management Limited's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- h) The summary of key financial data is given above in this Director Report.
- i) Details of meetings of the Board of Directors held and the attendance of each director for these meetings are given in note # (iv.) of supplementary non financial information of this annual report.
- j) The pattern of unit holding is given in note # (i.) of supplementary non financial information of this annual report.
- k) The number of units of the Fund held by the Chief Executive, directors, executives and their spouses as at June 30, 2015 as given in note # 22.1.
- l) Summary of units acquired/ redeemed during the year by the Chief Executive, director, executives and their spouses during the year ended June 30, 2015 is given in note # 22.1.

### Board of Directors

Name of Director	Designation	Meetings Held	Meeting Attended	Leave Granted
Syed Ali Sultan	Chairman	6	5	67th BOD
Mr. Amin Dawood Saleh	Director	6	4	62nd & 67th BOD
Mr. Michael Buchen	Director	6	6	-
Mr .David Burlison	Director	-	-	-
Mr. Hanspeter Beier	Director	6	3	64th, 65th & 67th BOD
Ms. Maheen Rahman	Chief Executive Officer	6	6	-
Mr. Abid Naqvi	Director	6	6	-
Mr. Asif Saad *	Director	6	2	64th, 65th, 66th & 67th BOD

\* Subsequent to the year end, Mr. Asif Saad resigned from the Board of Directors of the Company with effect from July 09, 2015

**Change in Board Members during the period**

Name	Designation	Appointed	Resigned
Mr. Michael Buchen	Director	Appointed	-
Mr .David Burlison	Director	-	Resigned

The Board places on record their thanks and appreciation to outgoing Directors for their valuable contributions in the progress of the Company.

**Audit Committee Meetings**

Below are the detail of Audit Committee meetings held during the period and attendance of Audit Committee Members.

Member	Meetings Held	Meetings Attended
Mr. Abid Naqvi	4	4
Syed Ali Sultan	4	4
Mr. Amin Dawood Saleh	4	2

**Acknowledgement**

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan for its valuable support, assistance and guidance. The Board also thanks the employees of the Management Company and the Trustee for their dedication and hard work and the unit holders for their confidence in the Management.

For and on behalf of the Board

August 24, 2015  
Karachi.

\_\_\_\_\_  
**Maheen Rahman**  
Chief Executive



## REPORT OF THE FUND MANAGER

### Type of Fund

Open-end Scheme

### Category of Fund

Income Scheme

### Investment Objective

To minimize risk, construct a liquid portfolio of fixed income instruments and provide competitive returns to the unit holders.

### Accomplishment of Objective

The Fund has achieved its objective of generating regular income by investing in low duration fixed income instruments within the guidelines provided under NBFC rules.

### Market Review

On account of record low inflation that touched as low as 2.11%, and averaged 4.56% for the year, the central bank reduced the discount rate by 300bps over four monetary policies. With inflation under control, the SBP aimed at boosting aggregate demand and demand for loanable funds. This easing cycle brought down bond yields by 430bps (3Y), 371bps (5Y) and 306bps (10Y). Yields, however, were quick to rebound marginally in Jun'15 on account of profit-taking, deposit mobilization by banks and prevalence of illiquidity.

The year was particularly generous to bond fund managers who maintained high duration PIB exposures. Yields slipped substantially on these longer-tenor instruments, generating multi-year high returns. The government increased its borrowing horizon considerably and funded the fiscal gap via longer-tenor PIBs as opposed to T-bills. The SBP conducted 12 PIB auctions over FY15 and targeted PKR 750bn in borrowings. The bank mopped up a sizeable PKR 1,042bn against this target. Out of total acceptance, 45% was borrowed via 3Y PIB, 28% via 5Y PIB and remaining 21% via 10Y PIB.

Barring unforeseen circumstances, we expect the market to remain range bound over the next six months as interest rates are largely expected to stay flat over this period. The easing cycle appears to have bottomed out and it remains to be seen when exactly a reversal will kick in.

### Fund Performance

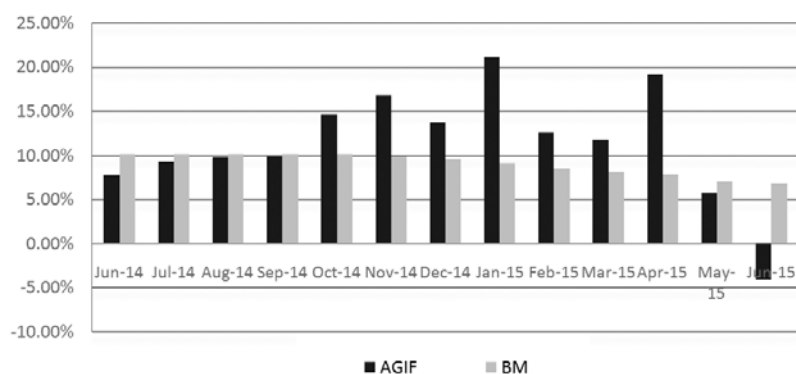
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The fund generated a healthy return of 12.26% in FY15. During the same period the benchmark return (6M Kibor) was 8.99%. The funds performance remained strong during the year despite some negative TFC price movements. The fund maintained a stable portfolio of good quality TFCs along with medium-long term PIBs. Due to constant monetary easing during the year the fund was able to constantly outperform the benchmark by focusing on government treasuries. Going forward the fund intends to maintain exposure in Govt. bonds while reducing the duration and realize trading gains, where applicable, so as to keep the positive performance on track.

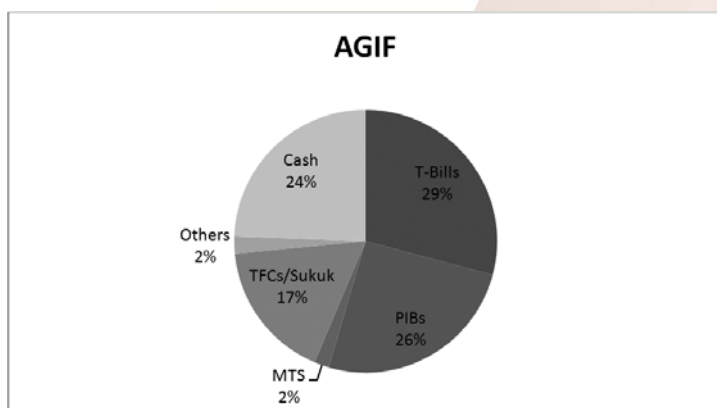
The fund's credit rating was maintained at "A+" by PACRA. The fund size on June 30th 2015 stood at PKR 1.111 bn compared to PKR 1.956 bn on June 30th 2014.

**Performance comparison with Benchmark**

**AGIF Return vs Benchmark**



**Assets Allocation/Portfolio quality**



**Credit Quality (as % of Total Assets)**

Govt. Sec / Guar.	54.52%	A	0.00%
AAA	0.02%	A-	0.00%
AA+	15.27%	BBB+	0.00%
AA	9.10%	BBB	0.00%
AA-	11.24%	Below IG	0.00%
A+	5.90%	MTS/NR/UR	3.95%

**Future Outlook**

The Fund plans to shift into a more moderate risk profile over FY16 with increased allocation to high yield instruments such as corporate bonds and medium term treasuries. As the prevailing interest rate environment favors investment in short-medium dated instruments the Fund will look forward to raise its exposure in the corporate bonds having higher credit rating and strong spreads over KIBOR along with short-medium term government securities.

**Key Financial Data**

(Rupees in Million)

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Redemption of units during the period	2,515.598	2,358.491

**Payout**

At the end of the year under review, the fund paid out cash dividend of Rs.7.3777 per unit.

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**Fund Manager**

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED****Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400, Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com

**TRUSTEE REPORT TO THE UNIT HOLDERS****ALFALSH GHP INCOME FUND  
(FORMERLY IGI INCOME FUND)****Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of  
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.



**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: October 12, 2015



## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2015

This statement is being presented to comply with the Code of Corporate Governance (the "Code") contained in Regulation No. 35 of Listing Regulation of Lahore Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Management Company has applied the principles contained in the CCG in the following manner:

1. The Management Company encourages representation of independent, executive and non-executive directors. At June 30, 2015 the Board includes:

Category	Names
Executive Director	Ms. Maheen Rahman (deemed director u/s 200 of Companies Ordinance, 1984)
Independent Directors	Mr. Abid Naqvi Mr. Asif Saad
Non-Executive Directors	Mr. Syed Ali Sultan Mr. Michael Buchen Mr. Hanspeter Beier Mr. Amin Dawood Saleh

The Independent Director meets the criteria of independence under clause i (b) of the Code.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company (excluding the listed subsidiaries of listed holding companies).
3. All the resident Directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year, one casual vacancy occurred on the Board which was filled within a period of 90 days.
5. The Management Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), Company Secretary, other executive and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before such meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Three directors have obtained certification under the 'Directors' training program' conducted by Institute of Corporate Governance. During the year two directors enrolled for Directors' training program and the certification was completed subsequent to the year end.

10. During the year, a new Company Secretary of the Management Company was appointed by the Board. The remuneration and terms and conditions of employment of the Company Secretary and any change thereto have been approved by the Board. No new appointment of the CFO and Head of Internal Audit was made during the year.
11. The Directors' Report of the Fund for the year ended June 30, 2015 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO, COO and Head of Finance of the Management Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report, pattern of unit holding and notes to the financial statements.
14. The Management Company and Funds under its Management have complied with all the applicable corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors of the Management Company, including the Chairman of the Committee who is an independent director.
16. The meetings of the Audit Committee were held once in every quarter and prior to the approval of interim and final results of the Fund as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and the Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed Human Resource and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the Committee is a non-executive director.
18. The board has outsourced the internal audit function to M. YousufAdilSaleem& Co., Chartered Accountants (a member firm of Deloitte Touché Tohmatsu International), who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partner of the firm, their spouse and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the net assets value of the Fund, was determined and intimated to directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through the Exchanges.
23. We confirm that all other material principles contained in the Code have been complied with, except the requirement to put in place a mechanism for undertaking annual evaluation of the performance of the Board.

For and on behalf of the Board

**Maheen Rahman**  
Chief Executive Officer



Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants  
Progressive Plaza, Beaumont Road  
P.O. Box 15541, Karachi 75530  
Pakistan

Tel: +9221 3565 0007-11  
Fax: +9221 3568 1965  
eyfrsh.khi@pk.ey.com  
ey.com/pk

### REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Alfalah GHP Investment Management Limited (the Management Company) of **Alfalah GHP Income Fund (formerly IGI Income Fund)** (the Fund) for the year ended **30 June 2015** to comply with the requirements of Regulation No. 35 of Listing Regulations of Lahore Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Management Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval the Fund's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2015.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph references where these are stated in the Statement:

Paragraph Reference	Description
9	Two directors enrolled in a directors' training program during the year and the certification was completed subsequent to the year end.
23	The Board has yet to finalise and implement a mechanism for annual evaluation of the Board's performance.

*Ernst & Young Ford Rhodes Sidat Hyder*  
Chartered Accountants

Karachi

Date: 24 August 2015

A member firm of Ernst & Young Global Limited

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Alfalah GHP Income Fund** (Formerly IGI Income Fund) (the Fund), which comprise the statement of assets and liabilities as at **30 June 2015**, and the related statements of income, comprehensive income, cash flows, distribution and movement in unit holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### Management's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at **30 June 2015** and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

#### Emphasis of matter

We draw attention to note 16.1 to the accompanying financial statements which explains the matter with respect to the contribution for Workers' Welfare Fund amounting to Rs.15.570 million for which no provision has been made in the financial statements.

Our opinion is not qualified in respect of this matter.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

#### Chartered Accountants

**Audit Engagement Partner: Shabbir Yunus**

August 24, 2015  
Karachi



**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT JUNE 30, 2015**

	Note	June 30, 2015	June 30, 2014
		----- (Rupees) -----	
<b>Assets</b>			
Bank balances	7	<b>331,313,079</b>	149,677,351
Investments	8	<b>972,862,892</b>	1,627,840,467
Security deposits	9	<b>2,850,000</b>	2,850,000
Prepayments, deposits and other receivables	10	<b>25,602,069</b>	33,109,025
Receivable against Margin Trading System (MTS)		<b>25,069,146</b>	104,138,361
Advance against Pre IPO Investment		-	50,000,000
<b>Total assets</b>		<b><u>1,357,697,186</u></b>	<u>1,967,615,204</u>
<b>Liabilities</b>			
Payable to the Management Company	11	<b>9,025,448</b>	6,472,206
Payable to the Trustee	12	<b>147,653</b>	197,897
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	13	<b>1,105,383</b>	1,358,989
Payable on redemption to unit holders		<b>222,715,835</b>	-
Provision for Workers' Welfare Fund (WWF)	14	<b>4,620,944</b>	2,712,346
Accrued and other liabilities	15	<b>8,686,817</b>	1,179,512
<b>Total liabilities</b>		<b><u>246,302,080</u></b>	<u>11,920,950</u>
<b>Net assets attributable to unit holders</b>		<b><u>1,111,395,106</u></b>	<u>1,955,694,254</u>
<b>Unit holders' fund (as per the statement attached)</b>		<b><u>1,111,395,106</u></b>	<u>1,955,694,254</u>
<b>Contingencies and commitments</b>	16	----- (Number of units) -----	
<b>Number of units in issue</b>		<b><u>10,549,898</u></b>	<u>19,474,996</u>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b><u>105.3463</u></b>	<u>100.4208</u>

The annexed notes from 1 to 27 form an integral part of these financial statements.

**Alfalah GHP Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**INCOME STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Note	June 30, 2015	June 30, 2014
----- (Rupees) -----			
<b>Income</b>			
Finance income	17	153,515,558	178,681,373
Net gain / (loss) on investments classified as 'at fair value through profit or loss' - held-for-trading			
- Net gain / (loss) on sale of investments		24,676,648	(661,106)
- Net unrealised gain / (loss) on revaluation of investments		23,332,745	(1,188,159)
		<b>48,009,393</b>	<b>(1,849,265)</b>
<b>Total income</b>		<b>201,524,951</b>	<b>176,832,108</b>
<b>Expenses</b>			
Remuneration of the Management Company		18,423,110	22,650,139
Sales tax on management fee		3,205,638	3,624,026
Federal excise duty on management fee	18	2,947,698	4,203,869
Remuneration of the Trustee		2,100,945	2,390,277
Annual fee to SECP		1,105,383	1,358,989
Brokerage expense		194,237	241,909
Bank and settlement charges		152,926	213,727
Auditors' remuneration	19	558,022	527,474
Annual listing fee		40,000	40,000
Annual rating fee		302,490	241,995
Clearing charges		1,746,232	645,680
CDS transaction fee		73,590	32,344
Printing charges		88,000	150,015
Provision for Workers' Welfare Fund	14	1,908,599	2,712,346
<b>Total expenses</b>		<b>32,846,870</b>	<b>39,032,790</b>
<b>Net income from operating activities</b>		<b>168,678,081</b>	<b>137,799,318</b>
Element of loss and capital losses included in prices of units sold less those in units redeemed - net		<b>(75,156,736)</b>	<b>(4,879,103)</b>
<b>Net income for the year before taxation</b>		<b>93,521,345</b>	<b>132,920,215</b>
Taxation	20	-	-
<b>Net income for the year after taxation</b>		<b>93,521,345</b>	<b>132,920,215</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.

**Alfalah GHP Investment Management Limited**  
**(Management Company)**

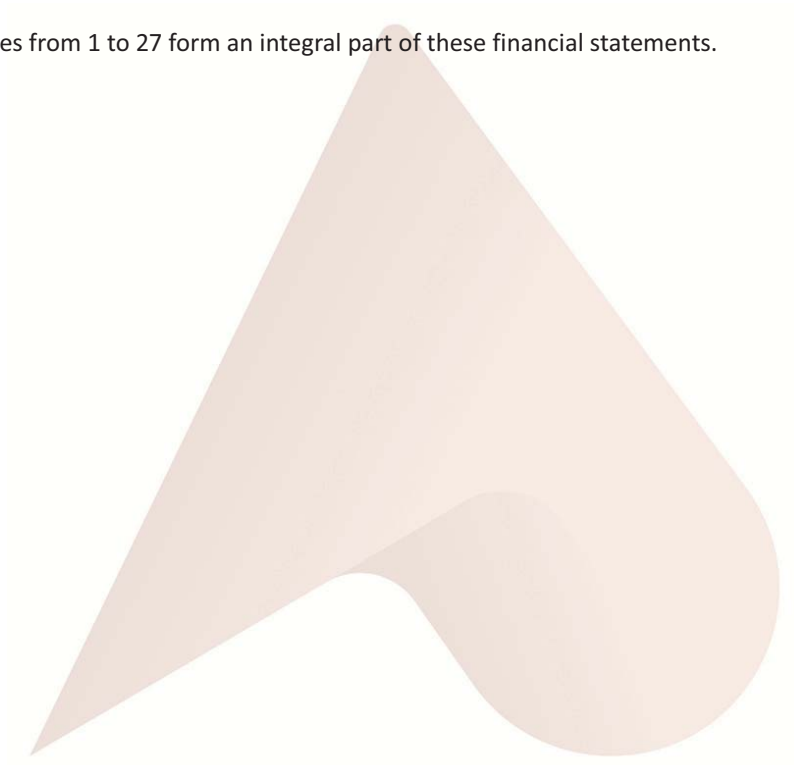
\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	-----
Net income for the year	<b>93,521,345</b>	132,920,215
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b><u>93,521,345</u></b>	<b><u>132,920,215</u></b>

The annexed notes from 1 to 27 form an integral part of these financial statements.



**Alfalah GHP Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
 Chief Executive Officer

\_\_\_\_\_  
 Director

**DISTRIBUTION STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2015**

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
<b>Undistributed income brought forward</b>		
Realised gains	9,032,721	58,248,747
Unrealised (losses) / gains	<u>(1,849,265)</u>	<u>2,975,004</u>
	<b>7,183,456</b>	<b>61,223,751</b>
 Total comprehensive income for the year	 <b>93,521,345</b>	 <b>132,920,215</b>
Interim distribution of bonus Nil units (2014: @ 3.1235 units for every 100 units held, approved on: July 01, 2013)	-	(52,833,484)
Interim distribution of cash dividend @ Rs.7.3777 per unit (2014: @ Rs.3.1370 per unit) approved on June 23, 2015	<u>(41,557,122)</u>	<u>(994,441)</u>
	<b>(41,557,122)</b>	<b>(53,827,925)</b>
Interim distribution of bonus Nil units (2014: @ 1.9582 units for every 100 units held, approved on: September 28, 2013)	-	(34,800,723)
Interim distribution of cash dividend Nil (2014: @ Rs.1.9625 per unit for every 100 units held, approved on: September 28, 2013)	-	(622,120)
Interim distribution of bonus Nil units (2014: @ 1.5851 units for every 100 units held, approved on: December 28, 2013)	-	(23,165,747)
Interim distribution of cash dividend Nil (2014: @ Rs.1.5921 per unit held, approved on: December 28, 2013)	-	(504,702)
Interim distribution of bonus Nil units (2014: @ 2.0179 units for every 100 units held, approved on: April 05, 2014)	-	(31,287,859)
Interim distribution of cash dividend Nil (2014: @ Rs.2.0360 per unit held, approved on: April 05, 2013)	-	(645,420)
Interim distribution of bonus Nil units (2014: 2.1986 units for every 100 units held, approved on: June 30, 2014)	-	(41,405,816)
Interim distribution of cash dividend Nil (2014: @ Rs.2.2088 per unit held approved on: June 30, 2014)	-	(700,198)
	<u>(41,557,122)</u>	<u>(186,960,510)</u>
<b>Undistributed income carried forward</b>	<b><u>59,147,679</u></b>	<b><u>7,183,456</u></b>
<b>Undistributed income carried forward at end of the year</b>		
- Realised gains	<b>35,814,934</b>	9,032,721
- Unrealised gains / (losses)	<u><b>23,332,745</b></u>	<u>(1,849,265)</u>
	<b><u>59,147,679</u></b>	<b><u>7,183,456</u></b>

The annexed notes from 1 to 27 form an integral part of these financial statements.

**Alfalah GHP Investment Management Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
<b>Net assets at beginning of the year</b> [Net asset value: Rs.100.4208 per unit (2014: Rs.103.5680 per unit)]	<b>1,955,694,254</b>	1,777,128,166
Amount realised / unrealised on issuance of 14,636,431 units (2014: 23,680,163 units)	<b>1,544,177,883</b>	2,402,724,356
Issuance of Nil bonus units in respect of final and interim distributions (2014: 1,826,198 units)	-	183,493,629
Amount paid / payable on redemption of 23,561,529 units (2014: 23,190,410 units)	<b>(2,515,597,990)</b>	(2,358,490,705)
	<b>984,274,147</b>	2,004,855,446
Element of loss and capital losses included in prices of units sold less those in units redeemed - net	<b>75,156,736</b>	4,879,103
Total comprehensive income for the year before capital gains - realised and unrealised	<b>45,511,952</b>	134,769,480
Net gain / (loss) on sale of investments classified as 'at fair value through profit or loss' - held-for-trading	<b>24,676,648</b>	(661,106)
Net unrealised gain / (loss) on investments classified as 'at fair value through profit or loss - held-for-trading'	<b>23,332,745</b>	(1,188,159)
Total comprehensive income for the year	<b>93,521,345</b>	132,920,215
<b>Distributions made during the year</b>		
Final distribution of bonus units	-	(52,833,484)
Final distribution of cash dividend	-	(994,441)
Interim distribution of bonus units	-	(130,660,145)
Interim distribution of cash dividend approved on June 23, 2015	<b>(41,557,122)</b>	(2,472,440)
	<b>(41,557,122)</b>	(186,960,510)
Net total comprehensive income less distributions for the year	<b>51,964,223</b>	(54,040,295)
<b>Net assets at end of the year</b> [Net asset value: Rs.105.35 per unit (2014: Rs.100.42 per unit)]	<b>1,111,395,106</b>	1,955,694,254

The annexed notes from 1 to 27 form an integral part of these financial statements.

**Alfalah GHP Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	June 30, 2015	June 30, 2014
Note	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	<b>93,521,345</b>	132,920,215
<b>Adjustments for:</b>		
Net (gain) / loss on sale of investments classified as 'at fair value through profit or loss' - held-for-trading	<b>(24,676,648)</b>	661,106
Net unrealised (gain) / loss on investments classified as 'at fair value through profit or loss' - held-for-trading	<b>(23,332,745)</b>	1,188,159
Provision for Workers' Welfare Fund (WWF)	<b>1,908,599</b>	2,712,346
Element of loss and capital losses included in prices of units sold less those in units redeemed - net	<b>75,156,736</b>	4,879,103
	<b>122,577,287</b>	142,360,929
<b>Decrease / (increase) in assets</b>		
Investments	<b>144,232,070</b>	47,589,381
Security deposits	-	-
Prepayments, deposits and other receivables	<b>7,506,956</b>	(21,663,243)
Receivable against Margin Trading System (MTS)	<b>79,069,215</b>	(104,138,361)
Advance against Pre IPO Investment	<b>50,000,000</b>	(50,000,000)
	<b>280,808,241</b>	(128,212,223)
<b>Increase in liabilities</b>		
Payable to the Management Company	<b>2,553,242</b>	3,474,582
Payable to the Trustee	<b>(50,244)</b>	5,300
Annual fee payable to SECP	<b>(253,606)</b>	179,606
Payable on redemption to unit holders	<b>222,715,835</b>	(2,280,000)
Accrued and other liabilities	<b>7,507,305</b>	456,613
	<b>232,472,532</b>	1,836,101
<b>Net cash generated from operating activities</b>	<b>635,858,060</b>	15,984,807
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	<b>(41,557,122)</b>	(3,466,881)
Amounts received on issue of units	<b>1,544,177,883</b>	2,402,724,356
Payment made against redemption of units	<b>(2,515,597,990)</b>	(2,358,490,705)
<b>Net cash (used in) / generated from financing activities</b>	<b>(1,012,977,229)</b>	40,766,770
Net (decrease) / increase in cash and cash equivalents during the year	<b>(377,119,169)</b>	56,751,577
Cash and cash equivalents at beginning of the year	<b>807,751,241</b>	750,999,664
<b>Cash and cash equivalents at end of the year</b>	<b>430,632,072</b>	807,751,241
	21	

The annexed notes from 1 to 27 form an integral part of these financial statements.

**Alfalah GHP Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015****1. LEGAL STATUS AND NATURE OF BUSINESS**

Alfalsh GHP Income Fund (formerly IGI Income Fund) (the Fund) has been established under the Non-Banking Finance Companies (Establishment and Regulation), Rules 2003 (the NBFC Rules) and has been authorised as a unit trust scheme by the Securities and Exchange Commission of Pakistan (SECP) on December 07, 2006. It has been constituted under a Trust Deed, dated December 18, 2006 between IGI Funds Limited (Former Management Company), a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984.

On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited (Former Management Company) to Alfalsh GHP Investment Management Limited (the Management Company) by means of Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The registered address of the Management Company is situated at 8th Floor, Executive Tower, Dolmen Mall, Block-5, Clifton, Karachi.

The Fund is an open ended income scheme and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The units are listed on the Lahore Stock Exchange Limited (LSE). The Fund was launched on April 14, 2007.

The Fund invests primarily in fixed-rate securities and other avenues of investment, which include corporate debt securities, certificates of investment, certificates of musharaka, commercial papers, term deposit receipts, spread transactions and reverse repurchase agreements.

The SECP has approved Second Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/AMCW/AD-ZI/AGIF/241/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalsh GHP Income Fund (formerly IGI Income Fund).

Title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a AM2- rating to the Management Company as of April 15, 2015.

PACRA has assigned a rating of A+(f) to the scheme as of March 19, 2015.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the Non Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations) and directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

**3. BASIS OF MEASUREMENT**

- 3.1** These financial statements have been prepared under the historical cost convention, except for investments held at 'fair value through profit or loss' category which are measured at fair value.

**3.2** The financial statements are presented in pak rupees, which is the Fund's functional and presentation currency.

#### **4. ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in notes 5.2 and 5.5 respectively.

#### **5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described in note 5.1.

##### **5.1 New and amended standards and interpretations**

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IAS 19 – Employee Benefits – (Amendment) - Defined Benefit Plans: Employee Contributions

IAS 32 – Financial Instruments : Presentation – (Amendment)  
– Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment)  
– Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)  
– Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

##### **Improvements to Accounting Standards Issued by the IASB**

IFRS 2 Share-based Payment – Definitions of vesting conditions

IFRS 3 Business Combinations – Accounting for contingent consideration in a business combination  
– Scope exceptions for joint ventures

IFRS 8 Operating Segments – Aggregation of operating segments  
– Reconciliation of the total of the reportable segments' assets to the entity's assets





IFRS 13 Fair Value Measurement - Scope of paragraph 52 (portfolio exception)

IAS16 Property, Plant and Equipment and IAS 38 Intangible Assets – Revaluation method – proportionate restatement of accumulated depreciation / amortisation

IAS 24 Related Party Disclosures - Key management personnel

IAS 40 Investment Property - Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

## 5.2 Investments

The investments of the Fund, upon initial recognition, are classified as investment at fair value through profit or loss or held to maturity investments as appropriate.

All investments, are initially measured at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs that are directly attributable to acquisition.

All regular way purchases / sales of investments that require delivery within the time frame established by the regulation of market convention are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the investment. Regular way purchases / sales of investments require delivery of securities within the period generally established by the regulation or market convention such as "T+2".

### - Fair value through profit or loss - held-for-trading

Investments which are acquired principally for the purposes of selling in the near term and are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking are classified as held-for-trading.

These investments are initially recognised at fair value, being the cost of the consideration given.

After initial measurement, these are carried at fair value and the gains or losses on revaluation are recognised in the income statement.

### - Held to maturity

Investment securities with fixed maturities and fixed or determinable payments are classified as 'held-to-maturity investments' when management has both the intention and ability to hold to maturity. After initial measurement, such investments are carried at amortised cost less any provision for impairment except for in case of debt securities and government securities, which are carried at fair value in accordance with the requirements of the NBFC Regulations.

Fair value of investments is determined as follows:

#### Debt securities

These are valued at the rates quoted by Mutual Funds Association of Pakistan (MUFAP) in accordance



with the SECP's Circular No. 33 of 2012 dated October 24, 2012, read with Regulation 66(b) of the NBFC Regulations.

#### **Government securities**

These are valued by reference to the quotations obtained from the Mutual Fund Association of Pakistan.

### **5.3 Derivative Financial Instruments**

Derivative instruments generally comprise of futures contracts, options and forwards contracts etc. in the capital market. These are initially recognised at cost and are subsequently remeasured at their fair value. The fair value of derivative instruments is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the instrument. Derivative with positive market values (un-realised gains) are included in other assets and derivatives with negative market values (un-realised losses) are included in other liabilities in the statement of asset and liabilities. The resultant gains and losses are included in the income currently.

Derivative financial instruments entered into by the Fund do not meet the hedging criteria as defined by IAS-39 Financial Instruments: Recognition and Measurement, consequently hedge accounting is not used by the Fund.

### **5.4 Securities under repurchase / resale agreements**

Transactions of purchase under resale (reverse-repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repos) are not recognised in the statement of assets and liabilities. Amounts paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement.

Transactions of sale under repurchase (repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of assets and liabilities and are measured in accordance with accounting policies for investment securities. The counterparty liabilities for amounts received under these transactions are recorded as financial liabilities. The difference between sale and repurchase price is treated as borrowing charges and accrued over the life of the repo agreement.

### **5.5 Impairment of financial assets**

An assessment is made at each statement of assets and liabilities date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss, is recognised in the income statement.

An impairment loss in respect of investments classified as 'held to maturity' and measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.



Impairment losses on above investments are recognised in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

#### **5.6 Unit holders' fund**

Unit holders' fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

#### **5.7 Issue and redemption of units**

Units issued are recorded at the offer price prevalent on the day on which application form, (complete in all respects) is received. The offer price represents the net asset value of units at the end of the day plus the allowable sales load. The sales load is payable to the Management Company as processing fee. Issue of units is recorded on acceptance of application for sale.

Units redeemed are recorded at the redemption price, prevalent on the day on which the redemption form (complete in all respects) is accepted. The redemption price represents the net asset value of units at the end of the day. Redemption of units is recorded on acceptance of application for redemption.

#### **5.8 Net asset value per unit**

The net assets value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at year end.

#### **5.9 Revenue recognition**

- Gains or losses arising on sale of investments are included in the income statement in the period in which they arise.
- Unrealised gains or losses arising on revaluation of investments classified as financial assets at fair value through profit or loss are included in the income statement in the period in which they arise.
- Interest income on reverse repurchase transactions, term deposit receipts, investment in debt securities, government securities and bank balances is recognised on a time proportion basis using effective interest rate method.

#### **5.10 Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed**

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The Fund records the net element of accrued income / (loss) and realised capital gains / (losses) relating to units issued and redeemed during an accounting year in the Income Statement while the portion of the element of income / (loss) and capital gains / (losses) that relates to unrealised gains / (losses) held by the Fund is recorded in a separate reserve account and any amount remaining in this reserve account at the end of an accounting year (whether gain or loss) is included in the amount available for distribution to the unit holders.

The net "element of income / loss and capital gains / losses in prices of units issued less those in units redeemed" during an accounting period is reported to the income statement. The Element is arrived at by comparing the unit prices with opening Ex-NAV at the beginning of the year.

#### **5.11 Taxation**

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates, if any. The Fund is exempt from taxation under clause 99 of Part I of the 2nd Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realised and unrealised capital gains for the year is distributed in cash amongst the unit holders.

#### **5.12 Financial assets and financial liabilities**

All financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income statement currently.

Financial assets carried in the statement of assets and liabilities include bank balances, investments, security deposits and mark-up / return receivable on bank balances and term finance certificates.

Financial liabilities carried in the statement of assets and liabilities include payable to the Management Company, remuneration payable to the Trustee and accrued and other liabilities.

#### **5.13 Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are only offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **5.14 Provision**

A provision is recognised in the statement of assets and liabilities when the Fund has a legal or constructive obligation as result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are regularly reviewed and are adjusted to reflect the current best estimate.

#### **5.15 Receivable Against Margin Trading System (MTS)**

Transactions for purchase of marketable securities under Margin Trading System (MTS) are entered into at contracted rates for specified period of time. Securities purchased under the MTS are not recognised in the Statement of Assets and Liabilities. The amount paid under such agreement is recognised as "Receivable against Margin Trading System (MTS)". Profit is recognised on accrual basis using the effective interest rate method. Cash releases are adjusted against the receivable as reduction in the amount of receivable. The maximum maturity of a MTS contract is 60 calendar days and 25% of the exposure is released automatically at the expiry of every 15th calendar day.

**5.16 Cash and cash equivalents**

Cash and cash equivalent comprise of bank balances and investments which are readily convertible to known amount of cash subject to an in significant risk of changes in values and have maturities of less than three months from the date of acquisition.

**5.17 Distribution to unit holders**

Distributions declared including the bonus units are recorded in the period in which they are approved. Regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders.

**5.18 Other assets**

Other assets are stated at cost less impairment losses, if any.

**5.19 Liabilities**

All expenses including management fee and trustee fee are recognised in the income statement as and when incurred.

**6. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE**

The following revised standards, interpretations and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, interpretations and amendments:

<b>Standard, interpretation or amendment</b>	<b>Effective date (accounting periods beginning on or after)</b>
IFRS 10 – Consolidated Financial Statements	January 01, 2015
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)	January 01, 2015
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	January 01, 2016
IFRS 11 – Joint Arrangements	January 01, 2015
IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2015

<b>Standard, interpretation or amendment</b>	<b>Effective date (accounting periods beginning on or after)</b>
IFRS 13 – Fair Value Measurement	January 01, 2015
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

The Fund expects that the adoption of the above amendments and interpretation of the standards will not affect the Fund's financial statements in the period of initial application.

In addition to the above standards and interpretations, amendments to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after July 01, 2014. The Fund expects that such improvements to the standards will not have any impact on the Fund's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<b>Standard</b>	<b>Effective date (annual periods beginning on or after)</b>
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018

<b>Standard</b>	<b>Effective date (annual periods beginning on or after)</b>	<b>June 30, 2015</b>	<b>June 30, 2014</b>
<b>7. BANK BALANCES</b>	Note	----- (Rupees) -----	-----
Bank balances - local currency	7.1	<u><b>331,313,079</b></u>	<u><b>149,677,351</b></u>

**7.1** The deposit accounts with banks carry profit rates ranging from 6% to 7% (June 30, 2014: 7.00% to 9.25%) per annum.

	Note	June 30, 2015	June 30, 2014
		----- (Rupees) -----	
<b>8. INVESTMENTS</b>			
<b>Financial assets classified as 'at fair value through profit or loss' - held-for-trading</b>			
Sukuk certificates	8.1	<b>50,517,187</b>	37,065,000
Term finance certificates	8.2	<b>182,145,653</b>	261,706,327
Treasury bills	8.3	<b>395,702,652</b>	955,642,020
Pakistan Investment Bonds	8.4	<b>344,497,400</b>	373,427,120
		<u><b>972,862,892</b></u>	<u>1,627,840,467</u>
<b>Held to maturity</b>			
Certificates of investment - held to maturity	8.5	-	-

**8.1 Sukuk certificates - 'at fair value through profit or loss' - held-for-trading**

Name of the investee company	Profit / mark-up rate	As at July 01, 2014	Purchased during the year	Matured / Sold during the year	As at June 30, 2015	Carrying value as at June 30, 2015	Market value as at June 30, 2015	Net assets on the basis of market value	Total investments on the basis of market value	Investment as % of issue size
		----- (Number of certificates) -----				----- (Rupees) -----		----- (%) -----		
WAPDA Sukuk - III	11.19%	7,000	-	7,000	-	-	-	-	-	-
Engro Fertilizer Limited - I (refer note 8.2.1)	11.21%	-	10,000	-	10,000	48,750,000	50,517,187	4.55%	5.19%	1.58%
						<u>48,750,000</u>	<u>50,517,187</u>			

**8.2 Term Finance Certificates (TFCs) - 'at fair value through profit or loss' - held-for-trading**

Name of the investee company	Profit / mark-up rate	As at July 01, 2014	Purchased during the year	Redeemed* / sold during the year	As at June 30, 2015	Carrying value as at June 30, 2015	Market value as at June 30, 2015	Net assets on the basis of market value	Total investments on the basis of market value	Investment as % of issue size
		----- (Number of certificates) -----				----- (Rupees) -----		----- (%) -----		
<b>Quoted investments</b>										
Pakistan Mobile Communications Limited - VII	12.82%	450	-	-	450	18,387,000	18,183,960	1.64%	1.87%	0.91%
Faysal Bank Limited (November 12, 2007)	11.57%	2,001	-	2,001	-	-	-	-	-	-
Faysal Bank Limited (December 27, 2010)	12.40%	9,000	-	-	9,000	45,368,730	46,064,435	4.14%	4.73%	1.54%
						<u>63,755,730</u>	<u>64,248,395</u>			
<b>Unquoted investments</b>										
Bank Alfalah Limited - IV - (Floating) (a related party)	12.68%	7,050	-	5,250	1,800	9,249,876	9,290,907	0.84%	0.96%	0.19%
Bank Alfalah Limited - V (a related party)	11.41%	15,800	-	-	15,800	79,199,195	79,055,126	7.11%	8.13%	1.58%
Engro Fertilizer Limited - I (refer note 8.2.1)	11.72%	13,000	-	13,000	-	-	-	-	-	-
NIB Bank Limited (Floating)	11.23%	-	10,000	4,000	6,000	29,988,000	29,551,225	2.66%	3.04%	0.74%
Askari Bank Limited	12.14%	-	3,000	3,000	-	-	-	-	-	-
						<u>118,437,071</u>	<u>117,897,258</u>			
						<u>182,192,801</u>	<u>182,145,653</u>			



8.2.1 Investment includes 5,000 Term Finance Certificates of Engro Fertilizer Limited - I which have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.

8.2.2 The salient features of above Term Finance Certificates and Sukuks are as follows:

Name of the investee company	Secured / Unsecured	Mark-up		Principal redemption	Maturity date
		Kibor plus basis points	Receivable		
<b>Quoted investments</b>					
Pakistan Mobile Communications Limited - VII	Unsecured	3 months + 2.65%	Quarterly	Rs.2,500 in the first year, Rs.5,000 in the second year, Rs.7,500 in third year and remaining 40% of principal in four equal quarterly installments in the next one years	April 2016
Faysal Bank Limited	Unsecured	6 months + 2.25%	Semi annually	Re.1 in the first 5 years and remaining 99.8% principal in four equal semi installments of 24.95% each of the issue amount respectively.	December 2017
<b>Unquoted investments</b>					
Bank Alfalah Limited - IV - (Floating) (a related party)	Unsecured	6 months + 2.50%	Semi annually	Re.1 in the first 6.5 years and remaining 99.74% in three equal semi annual installments in the next one and half years.	December 2017
Bank Alfalah Limited - V (a related party)	Unsecured	6 months + 1.25%	Semi annually	0.3% of the principal will be redeemed in the first 90 months and remaining principal of 99.7% at maturity in the 96th month	February 2021
NIB Bank Limited (Floating)	Secured	6 months + 1.15%	Semi annually	Re.1 in the first 7.5 years and remaining 99.70% in next installment.	June 2022
Engro Fertilizer Limited - I - Sukuk	Secured	6 months + 1.55%	Semi annually	Re.1 in the first 7 years and remaining principal of 99.72% in two equal semi annual installments in the next one year.	November 2015

### 8.3 Treasury bills - at fair value through profit or loss - held-for-trading

#### Treasury bills having face value of Rs.100 each

Name of the investee company	Note	Face value			Balance as at June 30, 2015			Unrealized gain on revaluation	Net assets on the basis of face value	Total investment on the basis of face value
		As at July 01, 2014	Purchase during the period	Sales during the year	As at June 30, 2015	Carrying value as at June 30, 2015	Market value as at June 30, 2015			
		----- (Number of Certificates) -----			----- (Rupees) -----					
Treasury Bills - 3 months	8.3.1	6,718,000	18,850,000	24,568,000	1,000,000	99,322,761	99,318,993	(3,768)	9%	10%
Treasury Bills - 6 months	8.3.2	2,982,000	8,368,000	8,350,000	3,000,000	296,414,580	296,383,659	(30,921)	27%	30%
Treasury Bills - 12 months		-	1,950,000	1,950,000	-	-	-	-	-	-
<b>Total as at June 30, 2015</b>		<b>9,700,000</b>	<b>29,168,000</b>	<b>34,868,000</b>	<b>4,000,000</b>	<b>395,737,341</b>	<b>395,702,652</b>	<b>(34,689)</b>		

8.3.1 These represent treasury bills having face value of Rs.1 million (June 30, 2014: Rs.665 million) and carrying purchase yield of 7% (June 30, 2014: 9.92% to 9.96%) per annum. These treasury bills will mature on August 20, 2015 (June 30, 2014: September 18, 2014).

8.3.2 These represent treasury bills having face value of Rs.3 million (June 30, 2014: Rs.305 million) and carrying purchase yield ranging from 6.99% to 7.07% (June 30, 2014: 9.4% to 9.98%) per annum. These treasury bills have maturity upto September 03, 2015 (June 30, 2014: October 16, 2014).



**8.4 Pakistan Investment Bonds - at fair value through profit or loss - held-for-trading**

Name of the investee company	Note	Units			Balance as at June 30, 2015		Unrealized gain on revaluation	Net assets on the basis of face value	Total investment on the basis of face value	
		As at July 01, 2014	Purchase during the period	Sales during the year	As at June 30, 2015	Carrying value as at June 30, 2015				Market value as at June 30, 2015
----- (Number of Certificates) -----					----- (Rupees) -----					
Pakistan Investment Bonds - 3 years	8.4.1	3,000,000	1,000,000	3,500,000	500,000	49,658,038	52,116,000	2,457,962	5%	5%
Pakistan Investment Bonds - 5 years	8.4.2	800,000	850,000	-	1,650,000	163,705,618	180,570,500	16,864,882	16%	19%
Pakistan Investment Bonds - 10 years	8.4.3	-	2,850,000	1,850,000	1,000,000	108,145,640	111,810,900	3,665,260	10%	11%
<b>Total as at June 30, 2015</b>		<b>3,800,000</b>	<b>4,700,000</b>	<b>5,350,000</b>	<b>3,150,000</b>	<b>321,509,296</b>	<b>344,497,400</b>	<b>22,988,104</b>		

**8.4.1** These represent Pakistan Investment Bonds having face value of Rs.50 million (June 30, 2014: Rs.300 million) carrying purchase yield of 11.99% (June 30, 2014: 11.75% to 12.08%) per annum. These Pakistan Investment Bonds will mature on July 18, 2016 (June 30, 2014: July 18, 2016).

**8.4.2** These represent Pakistan Investment Bonds having face value of Rs.165 million (June 30, 2014: Rs.300 million) carrying purchase yield ranging between 12.20% to 12.95% (June 30, 2014: 12.20% to 12.45%) per annum. These Pakistan Investment Bonds will mature upto July 17, 2019 (June 30, 2014: July 18, 2018).

**8.4.3** These represent Pakistan Investment Bonds having face value of Rs.100 million (June 30, 2014: Nil) carrying purchase yield ranging between 9.40% to 10.31% per annum (June 30, 2014: Nil). These Pakistan Investment Bonds will mature on July 19, 2022 (June 30, 2014: Nil).

**8.5 Certificates of investment - held to maturity**

Name of the investee company	Rate of return per annum	Face Value				Carrying value as at June 30, 2015	Maturity	Rating	Net assets on the basis of face value	Total investment on the basis of face value
		As at July 01, 2014	Purchase during the period	Matured during the year	As at June 30, 2015					
----- (Rupees) -----					----- (Rupees) -----		----- (%) -----			
Pak Brunei Investment Company Limited	10.25%	-	190,000,000	190,000,000	-	-	November 19, 2014	-	-	-
		-	190,000,000	190,000,000	-	-		-	-	-

**June 30, 2015**      **June 30, 2014**  
----- (Rupees) -----

**9. SECURITY DEPOSITS**

Security deposits with:

- National Clearing Company of Pakistan Limited (NCCPL)
- Central Depository Company of Pakistan Limited

<b>2,750,000</b>	2,750,000
<b>100,000</b>	100,000
<b><u>2,850,000</u></b>	<b><u>2,850,000</u></b>

	Note	June 30, 2015	June 30, 2014
		----- (Rupees) -----	
<b>10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES</b>			
Prepayments:			
NCCPL - margin trading system fee		<b>177,115</b>	185,301
<b>Considered good</b>			
Security margin with NCCPL		<b>1,819,324</b>	1,819,324
Mark-up / return receivable on:			
- bank balances		<b>738,520</b>	627,956
- term finance certificates		<b>5,892,076</b>	10,286,634
- Margin trading system		<b>272,581</b>	891,779
- Pakistan Investment Bonds		<b>16,436,088</b>	19,298,031
- Advance tax		<b>266,365</b>	-
		<b><u>25,602,069</u></b>	<b><u>33,109,025</u></b>

**11. PAYABLE TO THE MANAGEMENT COMPANY**

Remuneration payable	11.1	<b>1,186,412</b>	1,897,414
Sales tax payable on management fee		<b>206,436</b>	204,944
Federal excise duty on management fee	18	<b>7,632,600</b>	4,369,848
		<b><u>9,025,448</u></b>	<b><u>6,472,206</u></b>

11.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the NBFC Regulations, of an amount not exceeding three percent per annum of the average daily net assets of the Fund during first five years of the Fund's existence and thereafter an amount equal to two percent per annum of such assets of the Fund. Currently, the management fee is charged @ 1.25% (June 30, 2014: 1.25%) of the average daily net assets of the Fund.

**12. PAYABLE TO THE TRUSTEE**

Trustee fee	12.1	<b><u>147,653</u></b>	<b><u>197,897</u></b>
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12.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net asset value of the Fund. The remuneration is payable to the trustee according to the following tariff structure:

Average net asset value	Tariff per annum
Up to Rs.1 billion	0.17% p.a. of net assets
1 billion to 5 billion	Rs.1.7 million plus 0.085% p.a. of net assets exceeding Rs.1 billion
Over 5 billion	Rs.5.1 million plus 0.07% p.a. of net assets exceeding Rs.5 billion

**13. ANNUAL FEE PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)**

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.075% (June 30, 2014: 0.075%) of the average daily net assets of the Fund.

**14. PROVISION FOR WORKERS' WELFARE FUND (WWF)**

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In August 2011, the Lahore High Court (LHC) issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts 2006 and 2008 have been declared unconstitutional and therefore struck down. In March 2013, the SHC larger bench issued a judgment in response to various petitions in similar cases whereby the amendments introduced in the WWF Ordinance through Finance Acts 2006 and 2008 respectively (Money Bills) have been declared constitutional and overruled a single-member Lahore High Court (LHC) bench judgment issued in August 2011.

As a matter of abundant caution, with effect from July 01, 2013, the Fund has started making provision in respect of contribution to WWF prospectively. Accordingly, a provision for WWF amounting to Rs.4.620 million (June 30, 2014: Rs.2.712 million) has been made in these financial statements. Had the provision not been made, the net asset value per unit of the Fund would have been higher by Re.0.44 (0.42%) per unit (June 30, 2014: Re. 0.14 (0.14%) per unit) (see note 16.1).

Further, in May 2014, the Honourable Peshawar High Court (PHC) held that the impugned levy of contribution introduced in the WWF Ordinance through Finance Acts, 1996 and 2009 lacks the essential mandate to be introduced and passed through a Money Bill under the constitution and, hence, the amendments made through the Finance Acts are declared as 'Ultra Vires'.

As per the legal counsel handling the case, the constitutional petition filed by the CIS to challenge the WWF contribution has not been affected by SHC judgment.

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. Accordingly, no provision for WWF is made from July 01, 2015 onwards. However, provision made from July 01, 2013 to June 30, 2015 has not been reversed as the above lawsuit is pending in the SHC.

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
<b>15. ACCRUED AND OTHER LIABILITIES</b>		
Brokerage and settlement charges payable	25,688	72,528
Auditors' remuneration	413,005	379,323
Annual rating fee payable	266,085	241,995
Clearing charges payable	14,747	54,573
Printing charges payable	45,415	69,415
Withholding tax and capital gains tax payable	7,921,877	361,678
	<u>8,686,817</u>	<u>1,179,512</u>
<b>16. CONTINGENCIES AND COMMITMENTS</b>		
<b>16.1 Contingencies</b>		
As disclosed in note 14, the Fund commenced making provision in respect of WWF with effect from July 01, 2013. The aggregate unrecognised amount of WWF upto June 30, 2013 amounted to Rs.15.570 million.		
<b>16.2 Commitments</b>		
There are no commitments as at June 30, 2015.		
<b>17. Finance income</b>		
Interest income on:		
<b>Investments classified as 'at fair value through profit or loss' - held-for-trading</b>		
- Term finance certificates	31,343,937	36,338,526
- Treasury bills	38,783,751	95,068,487
- Pakistan investment bonds	57,874,736	8,637,214
	<b>128,002,424</b>	140,044,227
<b>Held to maturity</b>		
- Certificates of deposit	-	2,840,414
- Commercial papers	-	374,272
- Certificates of investment	4,802,055	1,763,838
- Letters of placement	-	9,397,494
- Term deposit receipts	2,682,193	10,521,369
	<u>7,484,248</u>	<u>24,897,387</u>
Balance carried forward	<u>135,486,672</u>	<u>164,941,614</u>

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Balance brought forward	<b>135,486,672</b>	164,941,614
<b>Reverse repurchase transactions</b>	-	-
<b>Others</b>		
- Bank deposits	<b>6,778,086</b>	11,784,894
- Margin trading system	<b>11,189,024</b>	1,797,211
- Others	<b>61,776</b>	157,654
	<b><u>153,515,558</u></b>	<u>178,681,373</u>
<b>18. FEDERAL EXCISE DUTY ON MANAGEMENT FEE</b>		
<p>As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies and Central Depository Company of Pakistan Limited on behalf of schemes through a constitutional petition filed in the Honourable Sindh High Court (SHC) during September 2013 which is pending adjudication. However, the SHC has issued a stay order against the recovery of FED. The Fund, as a matter of abundant caution, has charged FED and sales tax thereon in its financial statements with effect from June 13, 2013.</p>		
<b>19. AUDITORS' REMUNERATION</b>		
Audit fee	<b>306,130</b>	278,300
Review and other certifications	<b>173,030</b>	157,300
	<b>479,160</b>	435,600
Sales tax	<b>23,958</b>	17,424
Out of pocket expenses	<b>54,904</b>	74,450
	<b><u>558,022</u></b>	<u>527,474</u>
<b>20. TAXATION</b>		
<p>The income of the Fund is exempt from income tax under Clause (99) of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001 (Clause 99) subject to the condition that not less than 90 percent of the accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed in cash amongst the unit holders. The Management Company has distributed not less than 90 percent of its annual accounting income in cash to avail the tax exemption. Accordingly, no provision for current and deferred tax has been made in these financial statements.</p>		
<b>21. CASH AND CASH EQUIVALENTS</b>		
Bank balances	<b>331,313,079</b>	149,677,351
Treasury bills maturing within 3 months	<b>99,318,993</b>	658,073,890
	<b><u>430,632,072</u></b>	<u>807,751,241</u>

**22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS**

Connected persons / related parties include Alfalsh GHP Investment Management Limited being the Management Company, GHP Arbitrium AG, Bank Alfalsh Limited and MAB Investment Incorporated being associated companies of Management Company, directors and key management personnel of Alfalsh GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. The transactions with connected persons are in the normal course of business and at contractual rates.

Remuneration payable to the Management Company and the Trustee are determined in accordance with the provisions of Non-Banking Finance Companies and Notified Entities Regulations, 2008, and the Trust Deed respectively.

**22.1 Unit Holders' Fund**

	June 30, 2015									
	As at July 01, 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at June 30, 2015	As at July 01, 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2015
	(Units)					(Rupees)				
<b>Associated companies / undertakings</b>										
Alfalsh GHP Investment Management Limited	706,385	664,968	-	706,385	664,968	70,935,182	70,000,000	-	78,123,768	70,054,379
<b>Key Management Personal Employees</b>										
Head of Marketing	-	689	-	689	-	-	70,000	-	70,681	-
<b>Unit holder holding 10% or more units</b>										
The Nishat Mills Limited - Employees Provident Fund Trust	-	1,384,610	-	-	1,384,610	-	-	-	-	145,868,664
Babar Ali Foundation	1,814,629	265,352	-	370,287	1,709,694	182,226,538	24,570,509	-	39,023,381	180,116,263
	June 30, 2014									
	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at June 30, 2014	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2014
	(Units)					(Rupees)				
<b>Associated companies / undertakings</b>										
Management Company	1,197,299	69,174	111,817	671,905	706,385	124,001,841	7,000,000	11,232,804	68,500,000	70,935,747
<b>Unit holder holding 10% or more units</b>										
Gul Ahmed Energy Limited	-	1,977,934	43,487	-	2,021,421	-	200,000,000	4,368,861	-	202,992,714

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
<b>22.2 Other transactions</b>		
<b>Associated companies / undertakings</b>		
<b>Alfalsh GHP Investment Management Limited - Management Company</b>		
Remuneration of the Management Company	<u>18,423,110</u>	<u>22,650,139</u>
Sales tax on management fee	<u>3,205,638</u>	<u>3,624,026</u>
Federal excise duty on management fee	<u>2,947,698</u>	<u>4,203,869</u>
<b>IGI Investment Bank Limited</b>		
Interest income from certificates of deposit	<u>-</u>	<u>2,840,414</u>
<b>Alfalsh GHP Money Market Fund (Formerly IGI Money Market Fund) - (Common Management)</b>		
Treasury bills - purchased	<u>223,102,000</u>	<u>-</u>
Treasury bills - sold	<u>64,471,225</u>	<u>-</u>
<b>IGI Aggressive Income Fund - (Common Management)</b>		
Term finance certificates - purchased	<u>15,440,288</u>	<u>-</u>
Treasury bills - purchased	<u>-</u>	<u>14,792,280</u>
<b>Alfalsh GHP Income Multiplier Fund - (Common Management)</b>		
Treasury bills - sold	<u>121,362,275</u>	<u>21,064,164</u>
Pakistan Investment Bonds - sold	<u>81,607,531</u>	<u>21,064,164</u>
<b>Alfalsh GHP Sovereign Fund - (Common Management)</b>		
Pakistan Investment Bonds - sold	<u>57,938,734</u>	<u>-</u>
<b>Alfalsh GHP Value Fund - (Common Management)</b>		
Treasury bills - purchased	<u>-</u>	<u>73,872,300</u>
<b>Alfalsh GHP Cash Fund - (Common Management)</b>		
Treasury bills - purchased	<u>365,117,480</u>	<u>189,135,910</u>
Treasury bills - sold	<u>198,072,100</u>	<u>21,064,164</u>
<b>Bank Alfalsh Limited</b>		
Profit on bank deposits	<u>3,737,401</u>	<u>2,088,181</u>
Bank charges	<u>36,732</u>	<u>43,037</u>
Pakistan Investment Bonds - purchased	<u>-</u>	<u>127,357,000</u>
Treasury bills - purchased	<u>707,701,570</u>	<u>133,740,000</u>
Treasury bills - sold	<u>149,191,625</u>	<u>-</u>
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - (Trustee of the Fund)</b>		
Remuneration of the Trustee	<u>2,100,945</u>	<u>2,390,277</u>
CDS charges	<u>73,590</u>	<u>32,344</u>
<b>22.3 Other balances</b>		
<b>Associated companies / undertakings</b>		
<b>Alfalsh GHP Investment Management Limited - Management Company</b>		
Remuneration payable to the Management Company	<u>1,186,412</u>	<u>1,897,414</u>
Sales tax payable on management fee	<u>206,436</u>	<u>204,944</u>
Federal excise duty on management fee	<u>7,632,600</u>	<u>4,369,848</u>

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
<b>Bank Alfalah Limited</b>		
Bank balance	<u>123,656,982</u>	<u>133,062,962</u>
Profit receivable	<u>389,687</u>	<u>547,519</u>
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - (Trustee of the Fund)</b>		
Remuneration payable to the Trustee	<u>147,653</u>	<u>197,897</u>
Security deposit	<u>100,000</u>	<u>100,000</u>

### 23. FINANCIAL RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up based on limits established by the Management Company, the Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervise the overall risk management approach within the Fund. The Fund has exposure to following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by Board of Directors and Audit Committee regularly to reflect changes in market conditions and the Fund's activities.

The Fund primarily invests in a portfolio of money market investments such as investment-grade debt securities, secured privately placed instruments, spread transactions and investments in other money market instruments (including the clean placements). Such investments are subject to varying degrees of risk.

The management of the risks as stated above is carried out by the Investment Committee (IC) under policies approved by the Board of Directors of the Management Company. The IC is constituted and approved by the Board of Directors of the Management Company. The Investment Committee is responsible to devise the investment strategy and manage the investment portfolio of the Fund in accordance with limits prescribed in the NBFC Regulations, offering document of the Fund in addition to Fund's internal risk management policies.

#### 23.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. The Fund is exposed to credit risk on bank balances, investments, security deposits and other receivable. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.



**Management of credit risk**

The Fund's policy is to enter into financial contracts with reputable counterparties in accordance with the internal risk management policies and investment guidelines approved by the Board of Directors. The IC closely monitors the creditworthiness of the Fund's counterparties (e.g., issuer of the instruments, brokers, banks, etc.) by reviewing their credit ratings, financial statements and press releases on a regular basis. In addition the credit risk is also minimized due to the fact that the Fund only invests in the high quality financial assets, majority of which have been rated by a reputable rating agency. All transactions in debt securities are settled / paid upon delivery. The risk of default in such transactions is considered minimal, as delivery of securities is guaranteed by reputable brokers or the transactions are carried out with counter parties of high reputation. Further, bank accounts are held only with reputable banks.

**Exposure to credit risk**

The table below analyse the Fund's maximum exposure to credit risk. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements at reporting date:

	<b>Carrying amount</b>	
	<b>June 30, 2015</b>	<b>June 30, 2014</b>
	----- (Rupees) -----	
Bank balances	<b>331,313,079</b>	149,677,351
<b>Investments classified as</b>		
- 'At fair value through profit or loss' - held-for-trading	<b>232,662,840</b>	298,771,327
Security deposits	<b>2,850,000</b>	2,850,000
<b>Mark-up / return receivable on:</b>		
Bank balances	<b>738,520</b>	627,956
Term finance certificates	<b>5,892,076</b>	10,286,634
Margin trading system	<b>272,581</b>	891,779
	<b><u>573,456,515</u></b>	<u>462,213,268</u>

**Credit quality of bank balances**

Details of credit rating of banks holding balances / deposits (including mark-up / return receivable thereon) are as follows:

<b>Name of Bank</b>	<b>Rating</b>	<b>June 30, 2015</b>	<b>June 30, 2014</b>
		----- (%) -----	
Allied Bank Limited	<b>A1+/AA+</b>	<b>62.64</b>	0.86
Bank Alfalah Limited	<b>A1+/AA</b>	<b>37.31</b>	88.89
Bank Al-Habib Limited	<b>A1+/AA+</b>	<b>0.01</b>	0.02
The Bank of Punjab	<b>A1+/AA-</b>	-	0.01
JS Bank Limited	<b>A1/A+</b>	-	0.01
MCB Bank Limited	<b>A1+/AAA</b>	<b>0.01</b>	0.03
NIB Bank Limited	<b>A1+/AA-</b>	-	0.01
Bank of Khyber	<b>A1/A</b>	-	0.08
Habib Bank Limited	<b>A1+/AAA</b>	<b>0.02</b>	10.07
Habib Metropolitan Bank Limited	<b>A1+/AA+</b>	<b>0.01</b>	0.02
		<b><u>100.00</u></b>	<u>100.00</u>

**Credit quality of held-for-trading investments**

Credit risk arising on debt securities along with profit receivable is mitigated by investing primarily in investment-grade rated instruments published by MUFAP (and as determined by Pakistan Credit Rating Agency or JCR-VIS). The Fund is required to follow the guidelines / restrictions imposed in its offering document and SECP in respect of minimum ratings prior to any investment, etc.

The tables below analyse the Fund's investment in term finance certificates / sukuk certificates (including mark-up / return receivable thereon) on the basis of long-term rating given to the instruments by the credit rating agencies:

	June 30, 2015		June 30, 2014	
	Amount of credit exposure -- (Rupees) --	held-for-trading investments	Amount of trading exposure -- (Rupees) --	% of held-for-trading investments
<b>Rating</b>				
AA / AA-	152,594,428	66%	298,771,327	100%
AA+	80,068,412	34%	-	-
	<u>232,662,840</u>	<u>100%</u>	<u>298,771,327</u>	<u>100%</u>

**Past due and impaired**

None of the financial assets are considered to be past due or impaired as at June 30, 2015 (June 30, 2014: Rs.Nil).

**Credit quality of held-for-trading investments**

Investment in government securities i.e. Treasury bills and Pakistan investment bonds is not exposed to credit risk.

**Credit quality of interest receivable on bank deposits and other receivables**

Interest income receivable on bank deposits was received subsequent to the year end.

**Concentration of the credit risk**

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund has entered into transactions with credit worthy counterparties thereby mitigating any significant risk due to concentration of credit risk.

**23.2 Liquidity risk**

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the unit holders' option based on the

Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive documents.

#### Management of liquidity risk

The Fund's policy is to manage this risk by investing in deposit accounts, short term money market placements or in investments that are traded in an active market and can be readily disposed. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount approximate to their fair value to meet its liquidity requirements.

The Fund has the ability to borrow, with prior approval of Trustee, for meeting redemption. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings.

#### Maturity analysis for financial liabilities

The table below analyse the Fund's financial liabilities into relevant maturity groupings based on the remaining period from the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

The maturity profile of the Fund's liabilities based on contractual maturities is given below:

	June 30, 2015			
	Carrying amount and contractual cash flows	Less than a month	More than one month and upto three months	More than three months and upto one year
<b>Financial liabilities</b>	----- (Rupees) -----			
Payable to the Management Company	1,186,412	1,186,412	-	-
Payable to the Trustee	147,653	147,653	-	-
Accrued and other liabilities	764,940	40,435	724,505	-
	<u>2,099,005</u>	<u>1,374,500</u>	<u>724,505</u>	<u>-</u>

	June 30, 2014			
	Carrying amount and contractual cash flows	Less than a month	More than one month and upto three months	More than three months and upto one year
<b>Financial liabilities</b>	----- (Rupees) -----			
Payable to the Management Company	1,897,414	1,897,414	-	-
Payable to the Trustee	197,897	197,897	-	-
Accrued and other liabilities	817,834	127,101	690,733	-
	<u>2,913,145</u>	<u>2,222,412</u>	<u>690,733</u>	<u>-</u>

Above financial liabilities do not carry any mark-up.

### 23.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk (equity price risk). The Fund is exposed to interest rate risk only.

#### Management of market risk

The risk is managed by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board of Directors and regulations laid down by SECP.

#### Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial instruments and future cash flows. The interest rate environment is monitored on a regular basis and the portfolio mix of fixed and floating rate securities is altered. The Fund's investment in fixed interest rate securities expose it to fair value interest rate risk and investments in variable interest rate securities expose the Fund to cash flow interest rate risk.

At year end, details of the interest rate profile of the Fund's interest bearing financial instruments are as follows:

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
<b>Fixed rate instruments</b>		
Treasury bills	395,702,652	955,642,020
Pakistan Investment Bonds	<u>344,497,400</u>	<u>373,427,120</u>
	<u>740,200,052</u>	<u>1,329,069,140</u>
<b>Variable rate instruments</b>		
Bank balances	331,313,079	149,677,351
Sukuk certificates	50,517,187	37,065,000
Term finance certificates	<u>182,158,482</u>	<u>261,706,327</u>
	<u>563,988,748</u>	<u>448,448,678</u>

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by MUFAP is expected to change over time. Accordingly, the actual trading results may differ from the below sensitivity analysis and the difference could be material.

#### Fair value sensitivity analysis for fixed rate instruments

In case of 100 basis points increase / decrease in interest rate (determined by market forces) at year end, the net assets attributable to unit holders of the Fund and net income for the year would be lower / higher by Rs.7.567 million (June 30, 2014: Rs.14.897 million). This analysis assumes that all other variables remain constant.

**Cash flow sensitivity analysis for variable rate instruments**

In case of 100 basis points increase / decrease in KIBOR at year end, the net assets attributable to unit holders of the Fund and net income for the year would be higher / lower by Rs.5.579 million (June 30, 2014: Rs.2.988 million).

**23.4 Unit Holders' Fund risk management**

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of Units at the discretion of the unit holders and occurrence of the unexpected losses in investment portfolio which may causes adverse effects on the Fund's continuation as going concern.

The Fund's objective when managing net assets attributable to unit holders is to safe guard the Fund's ability to continue as going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / IC members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well returns earned on the net assets to maintain investors confidence and achieve future growth in business. Further the Board of Directors is updated about the Fund yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gain as reduced by such expenses as are chargeable to the Fund.

Under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme.

**23.5 Fair value hierarchy**

Fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

**Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyse financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	June 30, 2015			Total
	Level 1	Level 2	Level 3	
	----- (Rupees) -----			
<b>Financial assets classified as at fair value through profit or loss' - held-for-trading</b>				
Market treasury bills	-	395,702,652	-	395,702,652
Pakistan Investment Bonds	-	344,497,400	-	344,497,400
Sukuk certificates	-	50,517,187	-	50,517,187
Term finance certificates	-	182,145,653	-	182,145,653
	-	<u>972,862,892</u>	-	<u>972,862,892</u>

	June 30, 2014			Total
	Level 1	Level 2	Level 3	
	----- (Rupees) -----			
<b>Financial assets classified as at fair value through profit or loss' - held-for-trading</b>				
Market treasury bills	-	955,642,020	-	955,642,020
Pakistan Investment Bonds	-	373,427,120	-	373,427,120
Sukuk certificates	-	37,065,000	-	37,065,000
Term finance certificates	-	261,706,327	-	261,706,327
	-	<u>1,627,840,467</u>	-	<u>1,627,840,467</u>

During the year ended June 30, 2015, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

#### 24. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in Annexure I to the financial statements.

**25. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue by Board of Directors of the Management Company on August 24, 2015.

**26. GENERAL**

Figures are rounded off to the nearest rupee.



**Alfalah GHP Investment Management Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION  
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)  
OF THE FIFTH SCHEDULE TO THE  
NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

**(i) UNIT HOLDING PATTERN OF THE FUND**

Category	As at 30 June 2015			
	Number of unit holders	Number of units held	(Rupees)	% of total
Individuals	57	1,869,729	196,969,076	18%
Associated Co./ Directors	1	664,968	70,051,934	6%
Insurance Co.	0	-	-	0%
Banks/ DFIs	2	961,335	101,273,097	9%
Retirement & Other Funds	15	3,775,727	397,758,953	36%
Others	7	3,278,139	345,339,948	31%
	<b>82</b>	<b>10,549,898</b>	<b>1,111,393,008</b>	<b>100%</b>

Category	As at 30 June 2014			
	Number of unit holders	Number of units held	(Rupees)	% of total
Associated Co.	2	5,528,177	557,887,072	20%
Banks/ DFIs	3	6,132,263	618,849,563	22%
Director	0	-	-	0%
Individuals	53	1,599,254	161,391,871	6%
Insurance Co.	5	1,145,284	115,578,612	4%
NBFC	1	496,019	50,056,717	2%
Other Corporate	23	11,086,229	1,118,790,036	40%
Others	4	1,613,329	162,812,333	6%
Retirement & Other Funds	6	308,527	31,135,592	1%
	<b>97</b>	<b>27,909,082</b>	<b>2,816,501,796</b>	<b>100%</b>

**(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID**

	30 June 2015
	%
<b>INVEST CAPITAL &amp; SECURITIES PVT LIMITED</b>	<b>27</b>
<b>JS GLOBAL CAPITAL LIMITED</b>	<b>19</b>
<b>SUMMIT CAPITAL PVT LIMITED</b>	<b>12</b>
<b>INVEST ONE MARKETS LIMITED</b>	<b>9</b>
<b>ELIXIER SECURITIES PAKISTAN LIMITED</b>	<b>7</b>
<b>INVEST &amp; FINANCE SECURITIES LIMITED</b>	<b>6</b>
<b>BMA CAPITAL MANAGEMENT LIMITED</b>	<b>6</b>
<b>ICON SECURITIES PVT LIMITED</b>	<b>6</b>
<b>VECTOR CAPITAL PVT LIMITED</b>	<b>3</b>
<b>KASB SECURITIES LIMITED</b>	<b>3</b>



	<b>30 June 2014</b>
	%
SUMMIT CAPITAL PVT LIMITED	26
INVEST CAPITAL & SECURITIES PVT LIMITED	21
JS GLOBAL CAPITAL LIMITED	10
KASB SECURITIES LIMITED	10
INVEST & FINANCE SECURITIES LIMITED	9
ICON SECURITIES PVT LIMITED	8
INVEST ONE MARKETS LIMITED	6
VECTOR CAPITAL PVT LIMITED	5
ELIXIER SECURITIES PAKISTAN LIMITED	5
PEARL SECURITIES PVT LIMITED	1

**(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Maheen Rahman  
 Ather Husain Medina  
 Noman Soomro  
 Shariq Mukhtar Hashmi  
 Muddasir Ahmed Shaikh  
 Nabeel Malik  
 Imran Altaf

**Maheen Rahman – CEO**

Maheen Rahman has over ten years of experience in the financial services industry. Prior to joining Alfalah GHP Investment Management Limited she was Head of Business Development at IGI Securities the brokerage arm of IGI Financial Services. She has also served as Head of Research for BMA Capital Management where she spearheaded the research effort to provide sound and in depth investment advice across all capital markets to a wide range of corporate and institutional clients. Ms Rahman has also worked with Merrill Lynch in their Investment Banking Group and was a key team member for several high profile international transactions that spanned the Asia Pacific region and North America. She has also worked with ABN Amro Bank in Corporate Finance and M&A Advisory and was involved in a series of equity raising and IPO activity across south-east Asia.

**Ather Husain Medina**

Mr. Medina, a qualified professional with extensive work experience of over 20 years in the financial sector is serving Alfalah GHP Investment Management Ltd. as Chief Investment Officer. Prior to joining the company he was associated with Invest Capital Investment Bank Ltd. as Head of Business Development and Atlas Asset Management as Chief Investment Officer. He has also worked with some other leading organizations which include National Investment Trust where he was heading the Research team, and SG Securities (HK) Holdings Ltd. and Indosuez W.I Carr Securities Pakistan in the Investment Research area. His expertise includes the banking sector of Pakistan as well, in which he worked at two leading commercial banks, Habib Bank Ltd. and MCB Bank Ltd. By qualification Mr. Medina is an MBA from the Institute of Business Administration (IBA), Karachi and holds a Computer Science degree from National University of Computer and Emerging Sciences (FAST-NU), Karachi.

**Noman Soomro**

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company

Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.

**Shariq Mukhtar Hashmi**

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

**Muddasir Ahmed Shaikh**

Mr. Muddasir has more than 10 years of experience in Investment Management & Equity Research. During his career, he has served a number of public and private institutions of repute. Prior to joining IGI Funds Limited, he has been associated with Atlas Asset Management Limited, National Investment Trust Limited, and JS Investments Limited (Formerly JS Abamco Ltd.). Mr. Muddasir holds a Masters degree in Business Administration from Institute of Business Administration, Karachi.

**Nabeel Malik**

Mr. Nabeel Malik brings with him a rich and diversified experience in the field of fund management and fixed income trading/facilitation. Before becoming a part of IGI Funds' team, he was associated with Pak-Oman Asset Management Co, heading its Fixed Income Fund Management Dept. where he proficiently handled money market trading, liquidity and funds management contributing positively towards bottom line profitability. His diverse experience in the field of finance includes names like Pak-Kuwait Investment Co, Orix Investment Bank, KASB Securities, and Mobilink GSM.

**Imran Altaf**

Mr. Altaf has over six years of experience in Investment Valuation, Financial Research and Portfolio Management. Before joining Alfalah GHP Investment Management as a portfolio manager, he was associated with Faysal Asset Management as a fixed income portfolio manager over 2012 to 2014. He was previously affiliated with Faysal Bank Limited and its Equity Capital Market (ECM) division from 2010 to 2012 in the capacity of an investment analyst. Mr. Altaf is a CFA Charter holder and has an MBA Degree from SZABIST University.

**Kashif Kasim**

Mr. Kasim is part of the Alfalah GHP's Investment team since 2013 and has continuously added value to the Investment Management function since then. As an acknowledgement of his efforts and quick learning skills he was promoted to the role of Junior Portfolio Manager. Mr. Kasim is pursuing his MBA from Pakistan Air Force Karachi Institute of Economics & Technology (PAF KIET) and is also a Level II candidate of Chartered Financial Analyst (CFA) exam.

**(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS**

The 62nd , 63rd, 64th, 65th, 66th & 67th Board Meetings were held on 27 Aug 2014, 27 Oct 2014, 02 Feb 2015, 23 Apr 2015, 13 May 2015 and 26 June 2015 respectively.

Name of Director	Number of Meetings			
	Held	Attended	Leave granted	Meeting not attended
Syed Ali Sultan	6	5	1	1
Mr. Amin Dawood Saleh	6	4	2	2
Mr. Michael Buchen	6	6	-	-
Mr .David Burlison	-	-	-	-
Mr. Hanspeter Beier	6	3	3	3
Ms. Maheen Rahman	6	6	-	-
Mr. Abid Naqvi	6	6	-	-
Mr. Asif Saad	6	2	4	4

- Subsequent to the year end, Mr. Asif Saad resigned from the Board of Directors of the Company with effect from July 9, 2015

**PERFORMANCE TABLE AGAF**

	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
	----- ( Rupees in '000) -----				
Net Assets	<u>1,111,393</u>	<u>1,955,694</u>	<u>1,777,128</u>	<u>893,440</u>	<u>830,100</u>
NAV per unit	<u>105.3463</u>	<u>100.4208</u>	<u>103.5680</u>	<u>101.6600</u>	<u>103.9400</u>
Selling price per unit	<u>106.7516</u>	<u>101.7721</u>	<u>104.6037</u>	<u>102.6766</u>	<u>103.9400</u>
Redemption price per unit	<u>105.3463</u>	<u>100.4208</u>	<u>103.5680</u>	<u>101.6600</u>	<u>103.9400</u>
Highest selling price per unit	<u>114.8402</u>	<u>103.9640</u>	<u>104.5407</u>	<u>104.7837</u>	<u>103.9445</u>
Highest redemption price per unit	<u>113.3284</u>	<u>102.9347</u>	<u>103.5056</u>	<u>103.7462</u>	<u>103.9445</u>
Lowest selling price per unit	<u>101.8170</u>	<u>101.2098</u>	<u>101.5128</u>	<u>101.5313</u>	<u>100.3146</u>
Lowest redemption price per unit	<u>100.4651</u>	<u>100.2077</u>	<u>100.5077</u>	<u>100.5260</u>	<u>100.3146</u>
Total interim distribution per unit	<u>7.3777</u>	<u>7.7994</u>	<u>6.6691</u>	<u>9.7294</u>	<u>7.31</u>
Interim distribution date	<u>23-Jun-15</u>	<u>28-Sep-13</u>	<u>26-Sep-12</u>	<u>29-Sep-11</u>	<u>1-Oct-10</u>
	<u>N/A</u>	<u>28-Dec-13</u>	<u>31-Dec-12</u>	<u>29-Dec-11</u>	<u>29-Dec-10</u>
	<u>N/A</u>	<u>5-Apr-14</u>	<u>27-Mar-13</u>	<u>29-Mar-12</u>	<u>28-Mar-11</u>
	<u>N/A</u>	<u>30-Jun-14</u>	<u>Nil</u>	<u>28-Jun-12</u>	<u>N/A</u>
Final distribution per unit	<u>Nil</u>	<u>Nil</u>	<u>3.1370</u>	<u>1.0868</u>	<u>3.39</u>
Final distribution date	<u>N/A</u>	<u>N/A</u>	<u>4-Jul-13</u>	<u>27-Jul-12</u>	<u>5-Jul-11</u>
Annualized returns %	<u>12.26%</u>	<u>8.04%</u>	<u>9.95%</u>	<u>11.16%</u>	<u>11.33%</u>
Income distribution %	<u>7.35%</u>	<u>7.53%</u>	<u>10.63%</u>	<u>10.76%</u>	<u>10.70%</u>
Weighted avg. portfolio duration (Days)	<u>837 Days</u>	<u>511 Days</u>	<u>445 Days</u>	<u>302 Days</u>	<u>283 Days</u>

Return since inception is **14.44%**








The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.










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